

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7235

BILL NUMBER: HB 1303

NOTE PREPARED: Jan 9, 2007

BILL AMENDED:

SUBJECT: Indiana Worker Preference on Public Works Projects.

FIRST AUTHOR: Rep. Kersey

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill establishes as a goal for the Public Works Division of the Department of Administration that any state agency or commission entering into a public works contract, the Port Commission, the Department of Transportation, and local units of government must enter into contracts that provide that 75% of the persons employed by the contractor or any subcontractor are residents of Indiana.

The bill also provides that if it is not possible to employ 75% of the employees working on a contract who are residents of Indiana, the contractor must provide information on the reason the contractor or the subcontractors cannot meet the goal.

It requires the Commissioner of the Department of Administration to prepare an annual report for the public and for the Legislative Council on the percentage of residents of Indiana who are employed to perform public works contracts for the state.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Public Works Contracts:* The bill would have indeterminate fiscal impact on public works projects. The bill establishes a goal for entering into contracts with contractors or subcontractors that provide that 75% of the employees are at least 18 years old and have resided in Indiana for at least 30 days prior to the date the individual begins working on the contract.

Department of Administration: Expenditures for the Department of Administration could increase to prepare an annual report on the percentage of residents of Indiana who are employed by each contractor and subcontractor on public works contracts. The funds and resources required could be supplied through a

variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures: *Public Works Contracts:* The goal of having Indiana residents be 75% of the employees of contractors and subcontractors would apply to local unit public works contracts. This would have indeterminate fiscal impact on local public works projects.

Explanation of Local Revenues:

State Agencies Affected: Department of Administration; Any state agency or commission entering into a public works contract; Port Commission; Department of Transportation.

Local Agencies Affected: Local units entering into public works contracts.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.